

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 94-329-C - ORDER NO. 95-17 ✓  
JANUARY 9, 1995

IN RE: Application of Communicall, Inc. DBA MTS/ ) ORDER  
Communicall for a Certificate of Public ) APPROVING  
Convenience and Necessity for Authority to ) CERTIFICATE  
to Resell Telecommunications Services, )  
Including Operator Services, Within the )  
State of South Carolina. )

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Communicall, Inc. DBA MTS/Communicall (Communicall or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Communicall to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Communicall's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Communicall complied with this instruction and provided the

Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed with the Commission by Southern Bell Telephone and Telegraph Company (Southern Bell), GTE South, Incorporated (GTE South), the South Carolina Telephone Association (SCTA), and the Consumer Advocate for the State of South Carolina (the Consumer Advocate). Prior to the hearing in this matter, Communicall entered into Stipulations with Southern Bell, GTE South, and SCTA regarding the completion of intraLATA calls. As a result of the Stipulations, Southern Bell, GTE South, and SCTA each filed Motions to Withdraw from this docket. The Consumer Advocate also filed a letter stating that he was satisfied that Communicall's Application, as amended, was consistent with prior reseller filings and that he would not participate in the scheduled hearing.

A hearing was commenced on December 14, 1994, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. B. Craig Collins, Esquire, appeared on behalf of Communicall; Florence P. Belser, Staff Counsel, represented the Commission Staff.

At the beginning of the hearing, counsel for Communicall stated that Communicall had entered into stipulations with Southern Bell, GTE South, and SCTA. Communicall offered the stipulations into evidence and requested Commission approval of the stipulations. The stipulations provide that:

Communicall will conduct its activities in accordance with established policies and guidelines of the South Carolina Public Service Commission, including those guidelines established in Order No. 93-462, dated

June 3, 1993, with regard to completion of intraLATA calls, as may be modified by the Commission. The parties specifically acknowledge that the issue of using 0+ dialing arrangements for the completion of intraLATA calls is pending in the matter of STS Networking Systems, Inc., d/b/a Scott Communications, Docket No. 93-472-C, and agree that Communicall's activities regarding completion of intraLATA calls will be governed by any guidelines established by the Commission in that proceeding.

Counsel for Communicall requested that the Commission grant a Certificate of Public Convenience and Necessity to Communicall but hold the issue of the completion of intraLATA calls in abeyance until that issue is resolved in the STS Networking Systems, Inc. d/b/a Scott Communications docket.

In support of its Application, Communicall presented the testimony of Jeffrey V. Dulock, President of Communicall. Mr. Dulock explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Dulock described the Company's services, its managerial, technological, and financial resources, and its marketing procedures.

Mr. Dulock also explained that Communicall planned to install and utilize store and forward equipment that will process and bill each call that is carried and will route the calls to Communicall's network. Mr. Dulock testified testified that Communicall's services are designed primarily to originate at locations where callers require operator assistance or alternate billing arrangements such as private pay telephones, hotels, motels, hospitals, and educational institutions. Mr. Dulock also stated

that Communicall understands that the issue of using "0+" dialing arrangements for the completion of intraLATA calls is currently pending before the Commission in the matter of STS Networking Systems, Inc. d/b/a Scott Communications, Docket No. 93-472-C. Mr. Dulock stated that in the event Communicall provides intraLATA service that Communicall will do so in accordance with the Commission's decision in Order No. 92-462, Docket Nos. 91-182-C, 92-183-C, and 92-200-C, as well as any guidelines established by the Commission in the STS Networking Systems, Inc. d/b/a Scott Communications decision.

After full consideration of the applicable law, the Company's Application, the evidence presented by the Company and the Commission Staff, and upon the tariff changes agreed to by the Company at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. Communicall is incorporated under the laws of the State of Texas, and has received a Certificate of Authority to Transact Business as a Foreign Corporation in the State of South Carolina.
2. Communicall operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.
3. Communicall has the experience, capability, and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity

should be granted to Communicall to provide intrastate interLATA service and to originate and terminate toll traffic in the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Communicall for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "O+" collect and calling card calls, Communicall may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Communicall may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Communicall shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Communicall shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not

required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Communicall is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

6. Communicall shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Communicall changes underlying carriers, it shall notify the Commission in writing.

7. The Commission approves the stipulations between Communicall and Southern Bell, GTE South, and SCTC. The Commission also grants the Motions to Withdraw filed by Southern Bell, GTE South and the SCTC.

8. With regard to the origination and the termination of

toll traffic in the same LATA, Communicall shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. With regard to the use of store and forward technology and the completion of intraLATA calls, Communicall shall abide by and comply with the Commission's decision in the pending matter of STS Networking Systems, Inc. d/b/a Scott Communications, Docket No. 93-472-C.

10. Communicall shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

11. Communicall should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This notification should be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service

provider for pay telephones and guest phones.

12. Communicall is required to provide "tent" card to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying it as the provider of operator service for intrastate interLATA distance calls. Communicall is required to brand all calls identifying itself as the carrier for the motel or hotel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

13. Communicall shall file its revised tariff and accompanying price list reflecting the findings herein and its agreed upon tariff amendments within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the Commission's Rules and Regulations. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

14. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
CHAIRMAN

ATTEST:

  
Executive Director

(SEAL)



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ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL  
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).